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Company Press Release

Global Solar Lays Out Plans, Products for Investors

NEW YORK--Feb. 28, 2000--In a presentation to institutional investors in New York City Monday, UniSource Energy Corp. (NYSE:UNS - news) advised Wall Street about more of its strategy to employ new energy technologies in consumer-based markets.

The presentation was made at the "Electricity Conference" sponsored by Morgan Stanley Dean Witter & Co.

Global Solar Energy, L.L.C., a subsidiary in which UniSource Energy holds 67 percent ownership, emphasizes the development and deployment of new energy technologies. From its Tucson, Ariz., production headquarters, Global Solar (GSE) manufactures a thin-film photovoltaic material that converts sunlight directly into electricity.

Unlike traditional solar panels that are heavy, fragile, and rigid, GSE's thin-film solar modules are lightweight, durable, and can be incorporated into flexible products.

GSE Vice President and Chief Financial Officer Neil Holstad highlighted the following points in his presentation to investors:

GSE's proven thin-film manufacturing methods used to make its photovoltaic products are now also being used to produce a new line of microminiature batteries thinner than a human hair and smaller than a postage stamp. They can be used in products such as computer chips and medical implants, and recharged thousands of times. Pilot line production will begin this year, and projected production by the year 2002 is 23 million batteries a year.

Worldwide sales of photovoltaic systems have doubled in the last three years and are predicted to double again in the next five years.

Millions of dollars invested by the U.S. Department of Defense in improving photovoltaic systems reflect its desire to move away from use of large batteries and diesel generators by the armed forces when operating in the field.

Photovoltaics are the low-cost solution, but must be durable and lightweight. GSE's existing Portable Power Pack(TM) and large tent-top photovoltaic arrays are being developed to meet DOD specifications and have been tested extensively by the U.S. Marine Corps and Army.

Holstad said Global Solar plans to triple its photovoltaic production capacity this year, and hopes to capture 15 percent of the market within five years.

In announcing the investors conference, Morgan Stanley Dean Witter said, ``We believe `e-lectricity' - which in our definition includes e-commerce, `new energy' and telecom investments - is going to help transform this sector by driving investors and managements to realize the value created over the past few years as the industry has deregulated."

UniSource Energy Treasurer Kevin Larson, who also spoke to investors at the conference, said the company forecasts 10 percent annual earnings growth following 2000, in large part due to the positive influence on earnings of Global Solar's expansion in new and existing markets.

The PowerPoint presentation which Holstad and Larson used at the conference is available on the Web at www.unisourceenergy.com.

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